

2026 Regular Session

HOUSE BILL NO. 1225

BY REPRESENTATIVE DANA HENRY

INSURANCE/PROPERTY: Provides with respect to residential property and catastrophic event modeling

1 AN ACT

2 To enact R.S. 22:1898.1 through 1898.9, relative to residential property insurance; to
3 provide for catastrophe model disclosure requirements; to provide for separation of
4 wind and flood surge assumptions; to require sensitivity testing of catastrophe
5 assumptions; to authorize geographically differentiated risk analysis; to provide for
6 legislative reporting; to provide definitions; to provide for legislative findings and
7 intent; to provide for rulemaking; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1898.1 through 1898.9 is hereby enacted to read as follows:

10 §1898.1. Louisiana fair insurance modeling and transparency

11 This Chapter shall be known and may be cited as the "Louisiana Fair
12 Insurance Modeling and Transparency Act".

13 §1898.2. Legislative findings and intent

14 A. The legislature hereby finds and declares:

15 (1) Many regions in this state have experienced catastrophic flooding and
16 wind damage from hurricanes and severe weather events, including but not limited
17 to Hurricane Katrina, Hurricane Rita, Hurricane Ida, and other storms.

18 (2) Since 2005, federal, state, and local governments have invested tens of
19 billions of dollars in flood protection, storm surge barriers, levees, drainage systems,
20 and related infrastructure across multiple regions of the state.

1 (3) Residential property insurance rates should reasonably reflect current,
2 location-specific risk conditions, including certified mitigation infrastructure,
3 elevation improvements, and storm protection systems.

4 (4) Catastrophe modeling plays a central role in determining insurance rates,
5 yet the assumptions underlying such models are often not transparent to regulators
6 or the public.

7 (5) The purpose of this Section is not to mandate specific insurance rates or
8 modeling approaches, but to ensure all of the following:

9 (a) Transparency.

10 (b) Accountability.

11 (c) Consideration of post-mitigation conditions.

12 (d) Fair treatment of policyholders across all regions within this state.

13 §1898.3. Definitions

14 (1) "Catastrophe model" means any probabilistic or deterministic model used
15 to estimate losses from wind, hurricane, flood, or storm surge events.

16 (2) "Geographically differentiated risk analysis" means actuarial evaluation
17 of risk at a sub-state level, including by parish, region, elevation, or infrastructure
18 protection level.

19 (3) "Post-mitigation conditions" means flood protection systems, storm surge
20 barriers, levees, flood walls, pumping systems, elevation improvements, and other
21 infrastructure constructed, upgraded, or certified after major storm events, including
22 but not limited to improvements made after 2005.

23 (4) "Residential property insurance" means insurance coverage for
24 owner-occupied or tenant-occupied one-to-four family dwellings.

25 (5) "Sensitivity analysis" means a comparison of modeled losses under
26 alternative assumptions regarding mitigation infrastructure or hazard intensity.

27 §1898.4. Catastrophe model disclosure requirements

1 A. Any insurer filing rates for residential property insurance in this state
2 shall include, as part of its rate filing, a standardized catastrophe modeling
3 disclosure.

4 B. The disclosure shall include all of the following:

5 (1) Model vendor, name, and version.

6 (2) Exposure data date and trending methodology.

7 (3) Whether the model incorporates post-mitigation conditions in this state.

8 (4) Description of how flood protection, storm surge systems, and drainage
9 infrastructure are treated.

10 (5) Whether assumptions reflect pre- or post-mitigation conditions.

11 (6) Identification of geographic resolution used, including statewide,
12 regional, and parish-level.

13 C. The commissioner shall prescribe the form and manner of disclosure.

14 §1898.5. Required sensitivity testing

15 A. Insurers shall provide a sensitivity analysis demonstrating both of the
16 following:

17 (1) Modeled losses assuming full recognition of post-mitigation conditions.

18 (2) Modeled losses assuming conservative or pre-mitigation conditions.

19 B. This requirement applies statewide but shall be particularly detailed in all
20 of the following:

21 (1) Coastal regions.

22 (2) Flood-prone regions.

23 (3) Areas with significant mitigation investments.

24 C. Nothing in this Section shall require adoption of any specific model.

25 §1898.6. Separation of wind and flood surge assumptions

26 A. Insurers shall disaggregate catastrophe modeling assumptions into any of
27 the following:

28 (1) Wind-only loss components.

29 (2) Flood and storm surge loss components.

1 (3) Combined or correlated loss assumptions.

2 B. This data shall be submitted in a format prescribed by the commissioner.

3 §1898.7. Geographic risk differentiation authority

4 A. The commissioner may approve or require geographically differentiated
5 risk analysis across this state where credible actuarial evidence demonstrates
6 materially different risk characteristics.

7 B. Differentiation may consider any of the following:

8 (1) Flood protection systems.

9 (2) Elevation.

10 (3) Drainage capacity.

11 (4) Proximity to coast or water bodies.

12 (5) Post-mitigation infrastructure.

13 C. The purpose of this Section is to ensure that risk evaluations reflect
14 material differences among communities rather than relying on statewide averages.

15 §1898.8. Legislative reporting

16 A. Beginning January 1, 2027, and every two years thereafter, the
17 Department of Insurance shall report to the Legislature all of the following:

18 (1) How catastrophe models account for mitigation infrastructure across the
19 state.

20 (2) Trends in wind versus flood and surge assumptions.

21 (3) Impacts on insurance premiums attributable to modeling assumptions.

22 (4) Regional disparities in modeled risk.

23 §1898.9. Rulemaking Authority

24 A. The commissioner of insurance shall promulgate rules necessary to
25 implement this Act.

26 Section 2. This Act shall become effective on January 1, 2027.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1225 Original

2026 Regular Session

Dana Henry

Abstract: Establishes disclosure requirements for catastrophe models, conducts sensitivity testing, differentiates between wind and flood assumptions, delineates geographic risk factors, and implements biennial reporting requirements for residential property insurance rate filings.

Proposed law enacts the "La. Fair Insurance Modeling and Transparency Act" and establishes requirements for catastrophe modeling used in residential property insurance rate filings.

Proposed law provides for legislative findings and intent. Proposed law defines certain terms.

Proposed law requires insurers filing residential property insurance rates to submit a standardized catastrophe modeling disclosure that includes the model vendor, name, and version; exposure data date and trending methodology; whether the model incorporates post-mitigation conditions; how flood protection, storm surge systems, and drainage infrastructure are addressed; whether assumptions reflect pre- or post-mitigation conditions; and the geographic resolution used.

Proposed law mandates insurers to provide a sensitivity analysis comparing modeled losses that account for full recognition of post-mitigation conditions versus those under conservative or pre-mitigation conditions. A detailed sensitivity analysis is required for coastal regions, flood-prone areas, and regions with significant mitigation investments.

Proposed law requires insurers to disaggregate catastrophe modeling assumptions into wind-only, flood and storm surge, and combined or correlated loss components.

Proposed law authorizes the commissioner of insurance to approve or require geographically differentiated risk analysis when actuarial evidence demonstrates materially different risk characteristics. This includes consideration of flood protection systems, elevation, drainage capacity, proximity to water bodies, and post-mitigation infrastructure.

Proposed law mandates the Dept. of Insurance to report to the legislature starting January 1, 2027, and every two years thereafter, on how catastrophe models account for mitigation infrastructure, trends in wind versus flood and surge assumptions, premium impacts attributable to modeling assumptions, and regional disparities in modeled risk.

Proposed law authorizes the commissioner to promulgate necessary rules for the implementation of the proposed law.

Effective Jan. 1, 2027.

(Adds R.S. 22:1898.1-1898.9)